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E.O. 12958: N/A TAGS: <u>OECD ECON EN</u>

SUBJECT: REQUEST FOR USG SUPPORT FOR ESTONIAN MEMBERSHIP IN OECD

- 11. (U) Action Request ? please see para (6).
- 12. (SBU) During a meeting with Charge on February 28, Reimo Pettai, MFA?s Director for International Cooperation/External Policy urged the USG to support Estonia?s bid for OECD membership during the current enlargement discussions. Pettai cited five primary reasons why Estonia should be an invited to begin accession negotiations during the next Ministerial Council Meeting in May:
- -- The GOE has made OECD membership a priority. Estonia values the expertise the OECD offers and notes OECD principles correspond with GOE policy priorities.
- -- It is important that the OECD offer membership to more than just the ?big countries.? Estonia would enhance the OECD?s credibility in offering advice to countries and regions that have historically been less willing to engage in economic policy discussions with the OECD.
- -- Estonia is well qualified for membership. Estonia has been active as an observer in OECD working groups and committees. Estonia participated in the OECD?s Baltic Regional Program from 1998-2004. This program has served as an example for other regions and as an excellent platform for Estonia?s membership aspirations.
- -- Estonia is willing to pay costs associated with membership, including both the fees directly related to the accession process as well as membership dues. Foreign Minister Urmas Paet recently reiterated this message to the OECD Deputy Secretary General. The MFA has had an earmark for OECD membership dues in its budget for the past 2-3 years.
- -- Estonia?s own successful economic reform experience will be of great benefit to the OECD. As a member, Estonia can play a valuable role in mentoring other countries involved in economic and structural reform. Estonia is very interested in contributing to the work of the OECD?s Development Assistance Committee (DAC). However, the DAC only accepts OECD members and international organizations as observers.
- ¶3. (SBU) Pettai highlighted that Estonia (and Slovenia) were mentioned as ?near term? membership candidates in the OECD Secretary General?s letter to members listing the countries which should be invited to join. He

acknowledged the key role the United States will play in the decision on which countries will be invited and urged the USG to support Estonia?s candidacy.

- ¶4. (SBU) Pettai admitted that, although the EU?s position is that all of its members should be offered OECD membership, the GOE understands it will not be possible for all 8 new EU members to be included in the current enlargement. While discussions within the EU on this are likely to be ?difficult,? Pettai expressed confidence the EU would ultimately accept a compromise.
- 15. (SBU) Pettai informed Charge that MFA Political Department Director General Aivo Orav will be in Washington March 1-2 for e-Pine as well as bilateral meetings in the Department. Pettai noted that the Estonian Embassy has requested meetings for Orav with EUR PDAS Volker and EEB PDAS Dibble on March 2. Estonia?s interest in OECD membership will be on Orav?s agenda for discussion at these meetings.
- 16. (U) Action request: Embassy requests Department provide front channel guidance on a response to the GOE?s request for USG support for Estonia?s candidacy by mid-March. (Note: Pettai said he planned to attend OECD-related meetings in Paris in mid-March.)

GOLDSTEIN